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TAGS: [CVIS](#) [EAID](#) [ECON](#) [EFIN](#) [ELAB](#) [KCRM](#) [PGOV](#) [PINR](#) [PREL](#)
SNAR, VC, XL
SUBJECT: ST. VINCENT: SPLINTERS OF AN OPPOSITION

REF: A. A) 07 BRIDGETOWN 1341

- [1](#)B. B) 07 BRIDGETOWN 1377
- [1](#)C. C) 07 BRIDGETOWN 353
- [1](#)D. D) 07 BRIDGETOWN 369

Classified By: DCM ANTHONY O. FISHER FOR REASONS 1.4 (B) AND (D).

[1](#)1. (SBU) Summary: In several meetings with leaders of the St. Vincent and the Grenadines (SVG) opposition New Democratic Party (NDP), and in consultations with the party's sympathizers as well as Unity Labor Party (ULP) and former-ULP members, Embassy Bridgetown learned of growing discontent with the ULP administration led by Prime Minister Ralph Gonsalves. The issues of trade and foreign investment (with the recent closing of Kingstown Medical College), foreign affairs and the increasingly close relationships with Cuba and Venezuela, narco-trafficking, the Argyle International Airport project and the stifling of free speech are among the opposition's chief concerns. Despite general agreement on these issues, however, the NDP's leadership is perceived as weak and ineffectual. Rumblings that former Prime Minister and founder of the NDP Sir James Mitchell may return to politics continue to offer the opposition's strongest glimmer of hope. End Summary.

NDP: "We Have Several Concerns..."

[1](#)2. (U) In late October, PolOff met with a variety of opposition leaders and disaffected government figures in an effort to gauge he concerns and mood of the opposition in St. Vincent and the Grenadines. PolOff met with the leader of the opposition New Democratic Party (NDP) Arnhim Eustace at his office in the NDP headquarters known as "Democrat House". He was joined by Senator St. Clair Leacock, who is one of three NDP senators.

[1](#)3. (U) Eustace began the meeting by drawling that the NDP has "many concerns" and he proceeded to list a laundry list of complaints about the current ULP administration. Many Embassy contacts have criticized Eustace for his poor leadership, citing especially his tendency to rattle off his "many concerns" without offering substantive solutions or plans-of-action. Eustice's chief complaint was the ULP's and

Prime Minister Ralph Gonsalves' "slanting of foreign policy" towards Venezuela and Cuba. Eustace remarked that the relationships with the two nations are "not a good influence" on the people and politics of SVG.

¶4. (C) As an example, Eustace mentioned the recent closing of the Kingstown Medical College (KMC), citing his belief that the College's demise was a direct result of the government's close relationship with the two largely anti-American regimes (Ref A). Knowing that Eustace had claimed publicly in June his belief that the State Department had ordered the US-owned school to close, PolOff emphasized that the USG had no hand in the College's decision. Eustace countered that shortly after Chavez's visit to SVG in February, several American KMC students wrote a letter to a popular radio station about Chavez's public attacks on the United States while on St. Vincent soil. He also speculated that the families of most of the American medical school students were conservative and held sway in the present U.S. administration.

¶5. (U) According to Eustace, the SVG government has grossly undervalued and trivialized the contribution of the Medical College to the nation's economy. Eustace claimed that by adding up the income derived from house rentals, car rentals, food, electricity and other living expenses, the students at KMC have been contributing \$32-34 Million USD to the economy each year. According to Eustace, the foreign exchange earned by the school was more than that earned by the country's banana industry.

Money Matters

¶6. (U) Turning to the state of business in SVG, Eustace and Leacock harshly criticized PM Gonsalves for his emphasis on state control of the economy and not on the private sector, as illustrated by St. Vincent's robust price controls on 60 food items. Eustace said the NDP needs an institution like a "Ministry of the Private Sector" that would encourage commerce and attract investment. Such a Ministry would pursue tourism growth but could also seek to attract technology-driven industries.

¶7. (SBU) He disputed the Prime Minister's (and the Eastern Caribbean Central Banks's) claim of almost seven percent growth so far this year in SVG. Eustace and Leacock both cited a recent Inter-American Development Bank (IDB) study that showed St. Vincent and the Grenadines received \$123 million USD in remittances in 2006, accounting for 26.4% of the country's GDP, exceeding the contribution of tourism to the economy. With the collapse of the banana industry, which has been heavily impacted by Moko disease and the loss of EU preferences, and the departure of the Medical College, Eustace posited that remittances will increase as an important source of hard currency for SVG's economy. He complained that the state-owned entities such as the Food City Market and the National Commercial Bank are competing with small, local vendors. Eustace lamented the general "creeping influence" of the government on the private sector.

A Touch of Cloak and Daggers: Intrigue on the Beach

¶8. (C) In June 2007 radio host E.J. Lynch announced on the NDP's official radio station (NICE FM) that he had evidence that Deputy Commissioner of Police Lenroy Brewster, Minister of Housing, Informal Human Settlements, Physical Planning, and Lands and Surveys Julian Francis, and a renowned St. Vincent drug trafficker known only as "Que Pasa" had met secretly late at night on the beach. The statements led to a

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series of public volleys between Eustace and Prime Minister, leading to the announcement in October that Minister Francis is suing both Lynch and Eustace for "creating alarm". (Note: Embassy contacts point out that he is not suing for "spreading false information", implying there might be some truth to tale of the infamous meeting. End Note).

¶9. (C) PolOff noted that PM Gonsalves has challenged Eustace and Lynch to produce evidence of the alleged meeting, to which he replied confidently: "All I can say is: the meeting happened". He went on to insinuate that two police officers were willing to give eye-witness accounts of the meeting, but that their resignations and proper protection were being secured before they would do so. Eustace cited the lawsuit as yet another example of the ULP government's aggressiveness in using the courts to silence its critics. Another key Embassy contact, Ken Boyea (Refs B and C), confided in PolOff that several weeks prior to Lynch's radio announcement, he had been invited to the Prime Minister's house for dinner. At the dinner, they were joined by Minister Francis (the PM, Francis, and Boyea are all first cousins) and the two of them told him of an alleged plot by the same narco-trafficker named "Que Pasa" to kill PM Gonsalves. Boyea expressed amazement that Francis may later have been seen meeting with "Que Pasa".

The Dark Shadow of Narco-Trafficking

¶10. (SBU) Eustace closed the meeting by bemoaning: "I am mortified by the state of drugs in St. Vincent and the Grenadines. We have decisions being made by the people providing the drugs." He cited the recent confiscation of over \$100 million USD in marijuana during Regional Security System (RSS) raids, and raised again the suspicious circumstances surrounding the March release of convicted trafficker Alex Lawrence. Eustace expressed disdain at the recent comments by lawyer Arthur Williams (a ULP leader) who pleaded with the Court to press lesser charges against three Venezuelan nationals recently caught trafficking drugs off the coast of Union island in the Grenadines. According to Eustace, Williams told the court that SVG is "getting assistance from Venezuela" and therefore "needs to be careful." (Biographical Note: While narcotrafficking appears to stain the reputation of almost all leaders in SVG, Eustace is widely revered by Embassy contacts as a "man of principle" who is as "clean as they come." At the same time, he is viewed as lacking charisma and political acuity. End Note).

Return of the "Son"?

¶11. (SBU) PolOff also met with Sir James Mitchell, former (and longest-serving) Prime Minister of St. Vincent and the Grenadines from 1984 until 2000. Mitchell preceded Eustace as leader of the NDP and retired from politics in 2001. In September 2007 newspaper reports claimed that Mitchell, who is affectionately referred to as "Son" by most Vincentians, was considering a return to politics. In a casual, relaxed meeting with PolOff, Mitchell waxed nostalgic about his accomplishments and boasted of his newly released autobiography. When asked directly by PolOff if he intended to get back into politics, Mitchell replied flatly "no"; however, he then mentioned several reasons why he would go back into politics and said that if "the people" wanted him to return, then he might. Mitchell's demeanor throughout the discussion was statesmanly, even as he criticized Eustace and the current NDP leadership as lacking focus and failing to connect with voters. The recent political re-emergence and subsequent illness and death of Mitchell's first cousin, Sir John Compton in St. Lucia, is viewed by many as both a possible inspiration and a cautionary tale for Sir James.

¶12. (C) Perhaps mindful of Mitchell's potential to capture the SVG public's imagination, PM Gonsalves has made a point of making the inquiry into the Ottley Hall Marina and Shipyard project quite public. The inquiry has been pursued since the ULP came to power in 2001, and has investigated possible mismanagement and corruption in the handling of the \$75 million USD project. Sir James dismissed the inquiry as politically motivated, though other contacts, such as the otherwise balanced editor of the News newspaper, Shelley Clarke, are convinced that Mitchell personally profited from

the venture. While mostly lacking in substance, the ongoing inquiry has provided a not-so-subtle reminder from the government that things were not necessarily better under Mitchell's leadership.

Other Voices

¶13. (C) Besides the top leadership of the opposition, businessmen and even current and former ULP members expressed concern about the current government to PolOff. Noel Jackson, and outspoken activist for the ULP and president of the United Worker's Movement, was incredibly pessimistic about the economic situation, and surprisingly critical of the Gonsalves administration's dealings with the labor unions. Randolph Russell, a prominent businessman, former Minister of Health, and current Chairman of the Private Sector Organisation of SVG emphasized that within the ULP itself, the "Old Labor" contingent is dissatisfied with the current state of affairs. He reminded PolOff that the current ULP is the result of a merger between the Labour Party and the Movement for National Unity (MNU) and that labor sympathizers feel that Gonsalves has sought to "infiltrate" the unions with his advocates, resulting in union loyalty to the government. He described Gonsalves and the MNU as having "taken over" the Labour Party completely. Russell sharply criticized Eustace for not attacking Gonsalves and the ULP using legal means (as has been done to them). Septel will extrapolate on the views of private sector and union leaders about the current state of SVG.

Airport Angst

¶14. (C) Several sources continue to cite the Argyle International Airport project as cause for concern. While Minister for Housing Julian Francis boasted that "interest from investors has soared" as a result of the project, many Embassy contacts predict that the project will either stall completely or will leave the country in extreme debt. Deputy Labour Commissioner McCauley Daniel, who owns a house in Argyle that is beingquisitioned by the government, claimed that "local businessmen are afraid to invest" in the project, and private sector leaders complain that the government has not approached them about investing or opening retail stores in the new airport.

¶15. (C) Minister Francis also claimed that Venezuela, Cuba, Mexico, Malaysia and Canada have all committed funding for the airport, the only confirmed commitments are building equipment from Venezuela, labor from Cuba, and cement from Mexico. Ironically, the equipment being provided by the Venezuelans is allegedly being imported from the United States. Permanent Secretary Godfred Pompey told PolOff that of the 131 home-owners in Argyle, 112 of them have reached negotiated settlements with the government to purchase their homes, totaling \$38 million USD in payments. Deputy Commissioner Daniel (a professed ULP supporter) questioned Pompey's figures, noting that he and most of this neighbors were still fighting to receive just compensation.

Comment

¶14. (C) Despite Prime Minister Gonsalves' public claims that St. Vincent and the Grenadines is "the strongest economy in the Eastern Caribbean", there appears to be growing discontent among a wide range of private and public sector figures. Still, the main opposition New Democratic Party manages to float from issue to issue, without appearing to secure a stronger foothold among the population. The opposition leader Arhim Eustace's bland personality and lack of charisma certainly hurt the party, as does the apparent divergence of support between Eustace and the looming figure of Sir James Mitchell. With elections still four years away, the fractured state of the opposition, however, may not matter as much as the fact that within the government and the ULP, there are rumblings of discontent. End Comment.

